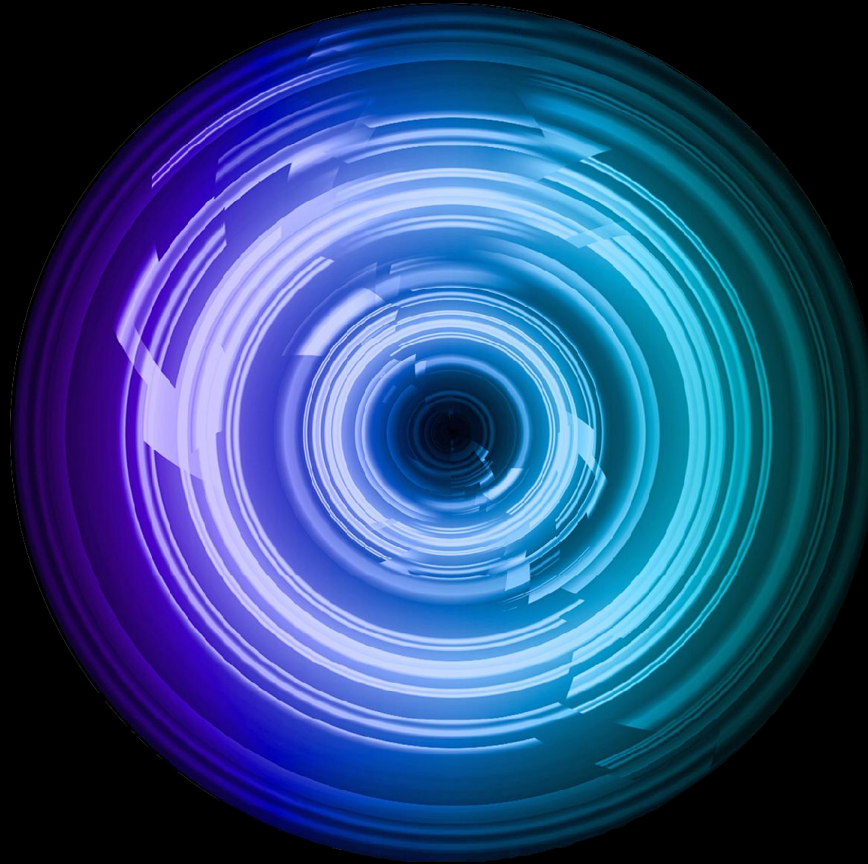


## Dbriefs

### Navigating ISO 20022 migration: Strategies for success



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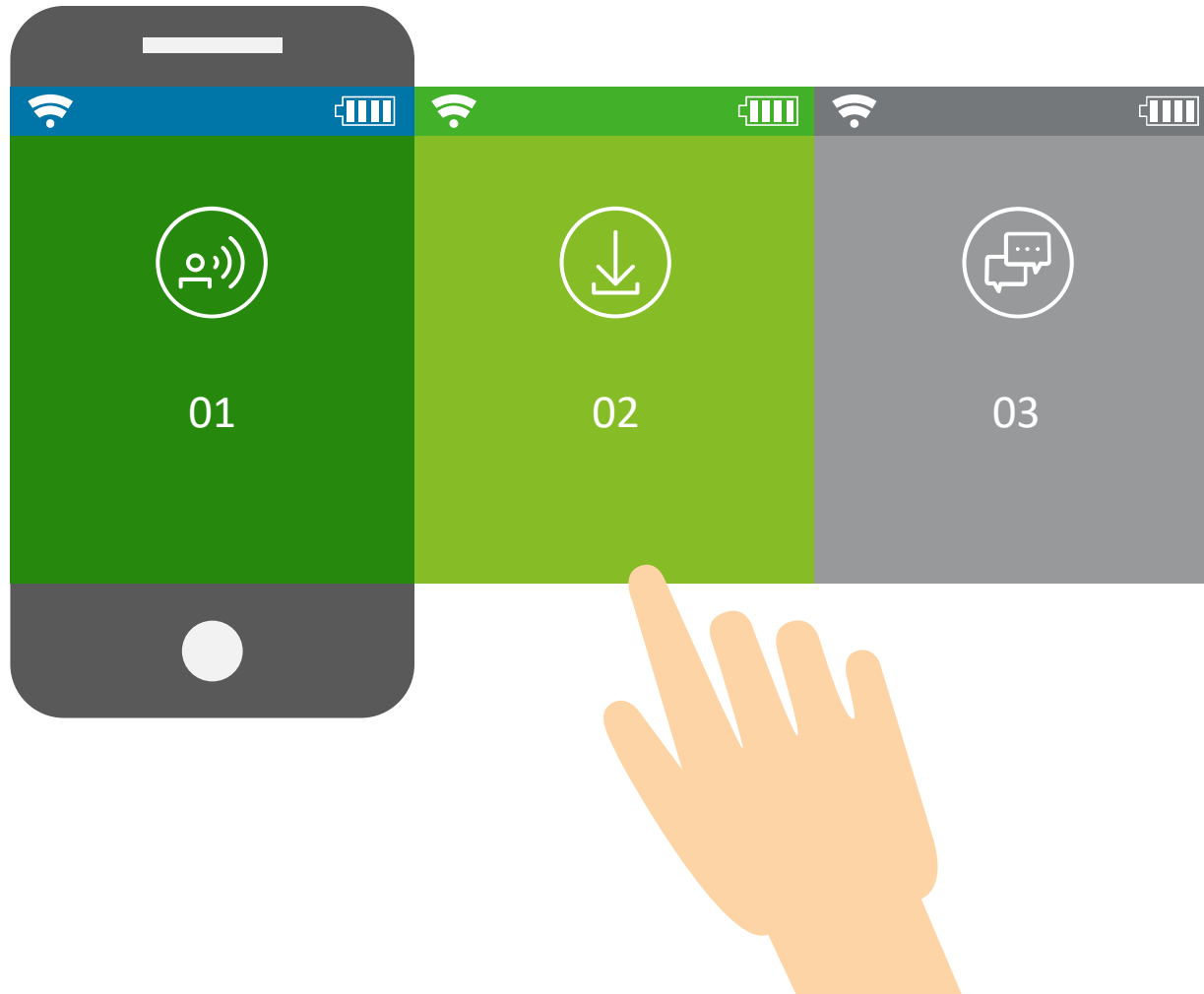
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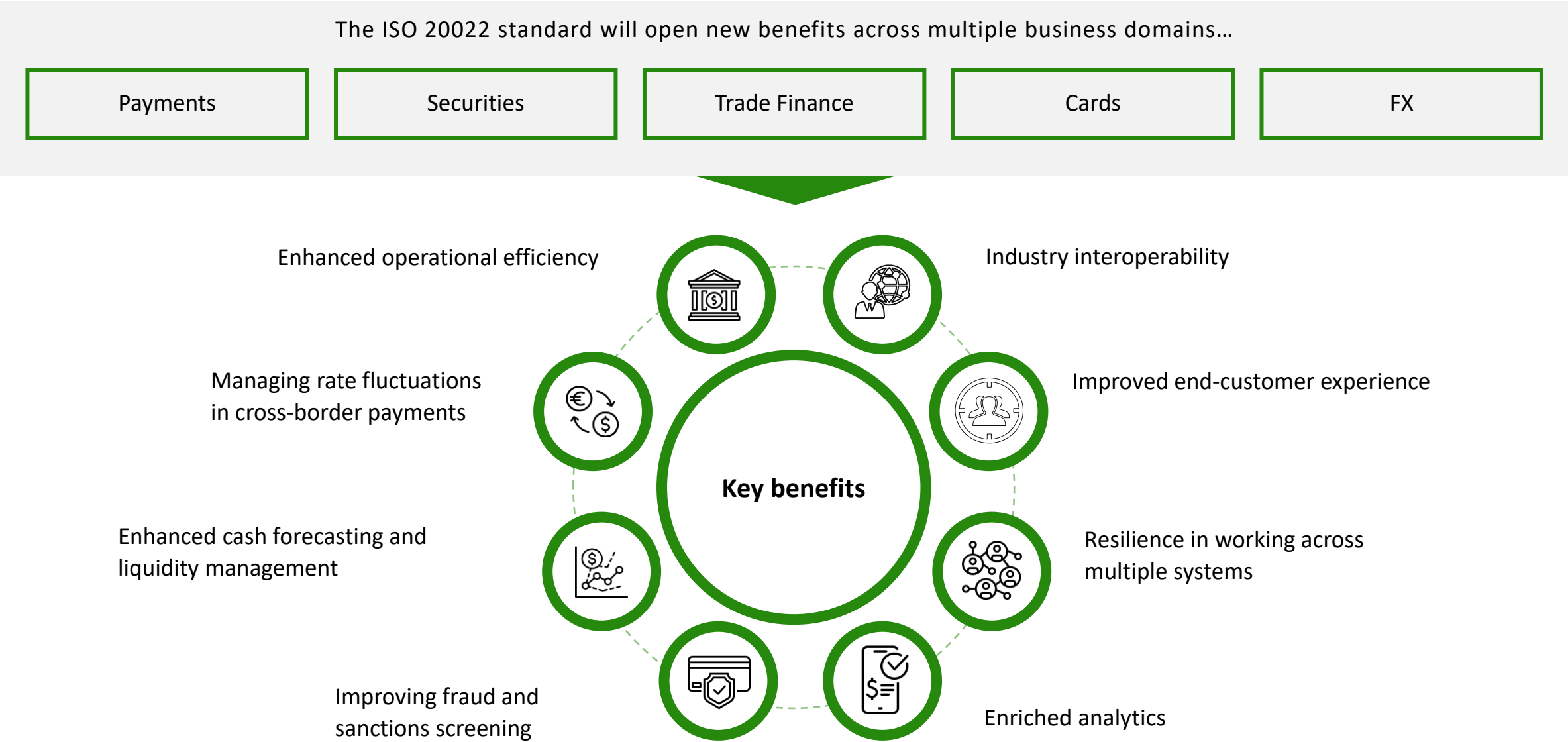


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# 1. ISO 20022 introduction and industry roadmap

# To unlock ISO 20022 benefits, banks and corporates must prioritize achieving ISO readiness now

















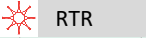






## Polling question #1

**Which of the below benefits of ISO 20022 will be valuable to your organization? (Select all that apply)**

- A. Improved straight-through processing
- B. Higher reconciliation accuracy
- C. Better fraud detection capabilities
- D. Improved data analytics
- E. Expansion of capabilities to underserved regions
- F. Don't know/not applicable



As critical financial market infrastructure is moving toward ISO adoption, global banks and corporates should align their migration strategies accordingly

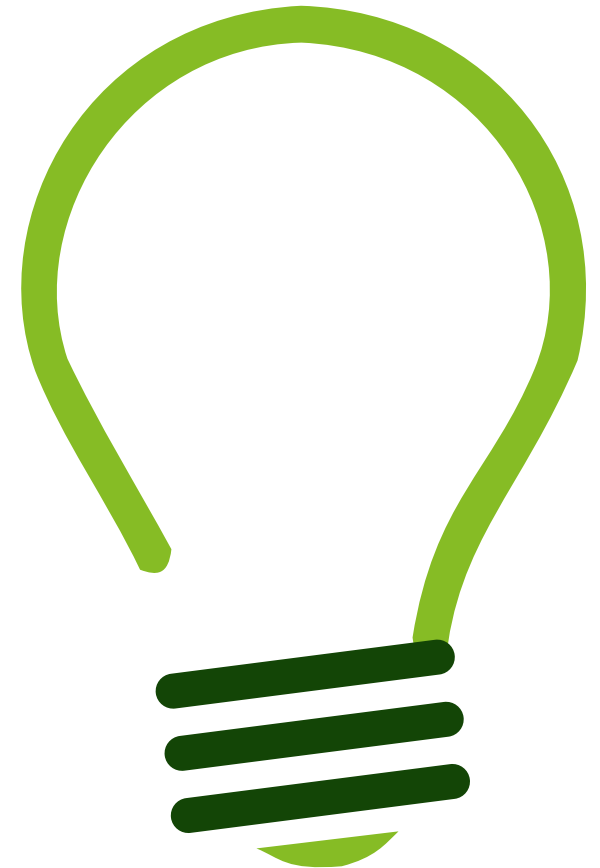
	Live < 2023	2023				2024				2025				2026	TBD
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
 US															
 UK															 
 Europe		 													
 Canada		 													
 APAC	  														
 SWIFT			Coexistence period supporting both MT & MX messages											Extension of sunseting period	

- Non-instruction messages will be sunset in Nov 2025
- Core message types (e.g., MT 102s) will be continued but deprecated starting Nov 2025
- Exceptions and investigation messages will be sunsetted in Nov 2026

## Polling question #2

**For 2025, which of the below mandates impact your organization?**

- A. Fedwire March 2025
- B. SWIFT CBPR+ November 2025
- C. Both A and B
- D. None of the above
- E. Don't know/not applicable





# Banks and corporates need to think beyond readiness to stay ahead of the curve



## Horizon 1 | The table stakes harmonization phase (2018 to ~2026)

- Various FMIs (Lynx, Fedwire, CHIPS) have recently transitioned or are in the process of transitioning to ISO 20022
- Banks are investing in minimum compliance to eventually enable native ISO processing



## Horizon 2 | Additional mandates shaped by global influencers (2023+)

- Some FMIs (e.g., UK CHAPS) are expanding mandates on ISO fields (e.g., purpose of payment, LEI Identifier), requiring banks to request additional data from businesses
- Direct clearers within these markets (e.g., RITS Australia, Target 2) must enhance channels and collaborate with corporates to capture this information, affecting banks' target state for ISO 20022



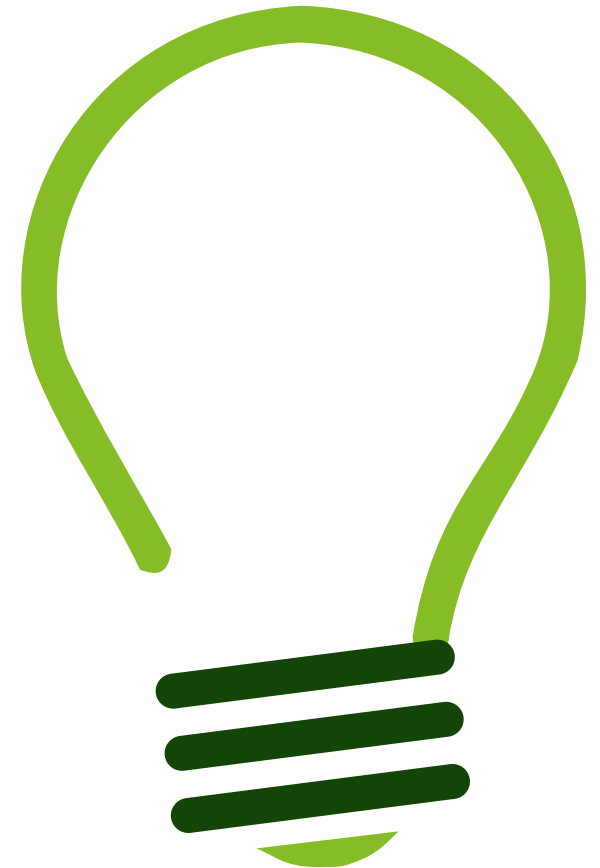
## Horizon 3 | ISO commercialization (2025+)

- Primarily this would affect corporates and would be business value driven
- A plausible ramp-up time frame is 2025 after the MT format sunsets, with some G-SIBs beginning to develop industry-specific use cases

## Polling question #3

**Which functions within your organization will be affected by adoption of ISO 20022?  
(Select all that apply)**

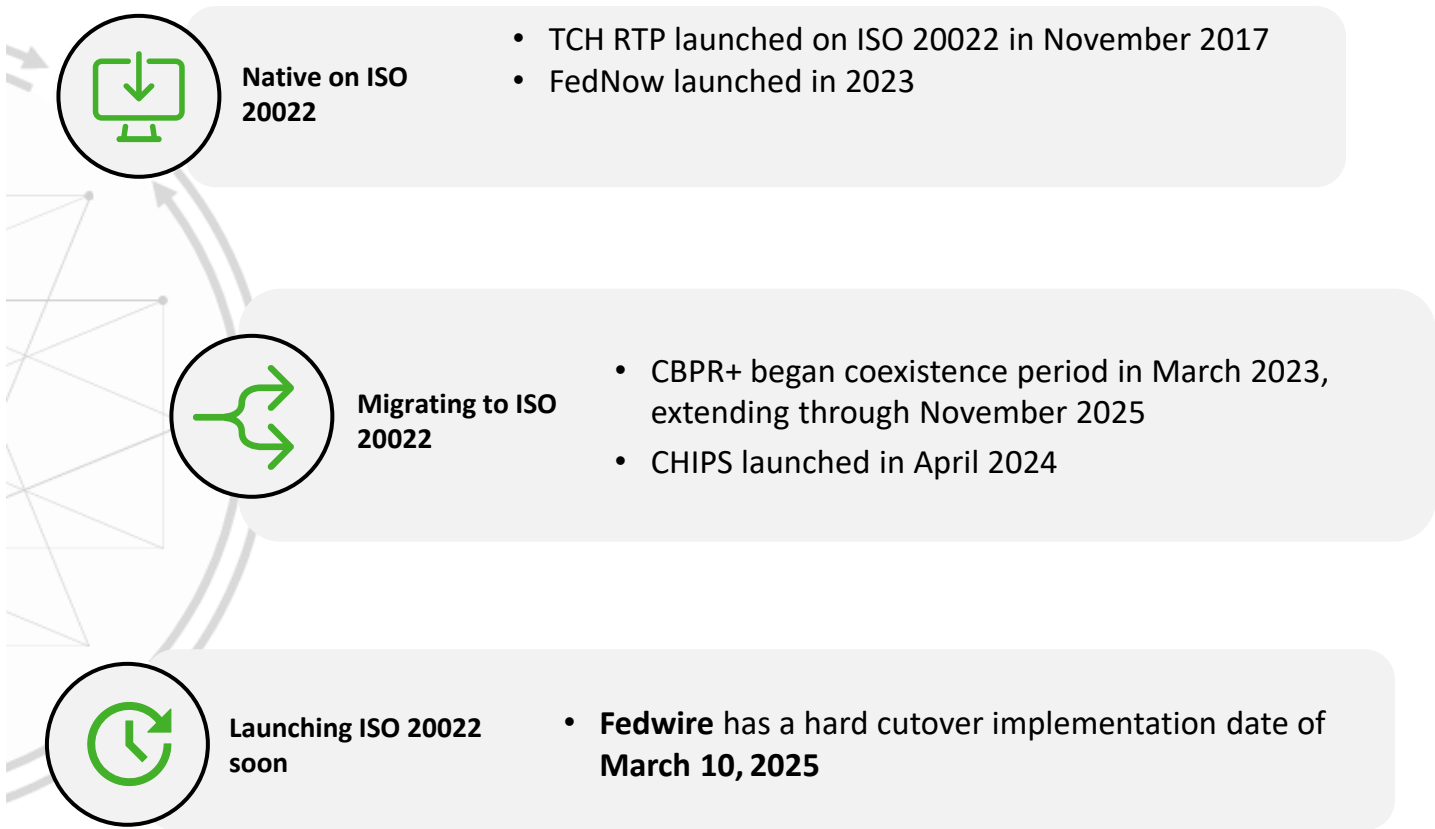
- A. Treasury
- B. Accounts Payable
- C. Collections
- D. Accounting
- E. IT
- F. Don't know/not applicable





## 2. ISO 20022 readiness progress

Adoption in the United States is gaining momentum, raising the opportunity cost of not fully leveraging enriched ISO 20022 data



82M

Payments the TCH RTP processed in Q2 2024<sup>1</sup>

More than 1M CBPR+

Messages SWIFT processes per day<sup>2</sup>

555,345 payments valued at \$1.81T

CHIPS processed on the first day launching ISO 20022<sup>3</sup>

830,344 payments valued at \$4.41T

Average Fedwire payments processed in July 2024<sup>4</sup>

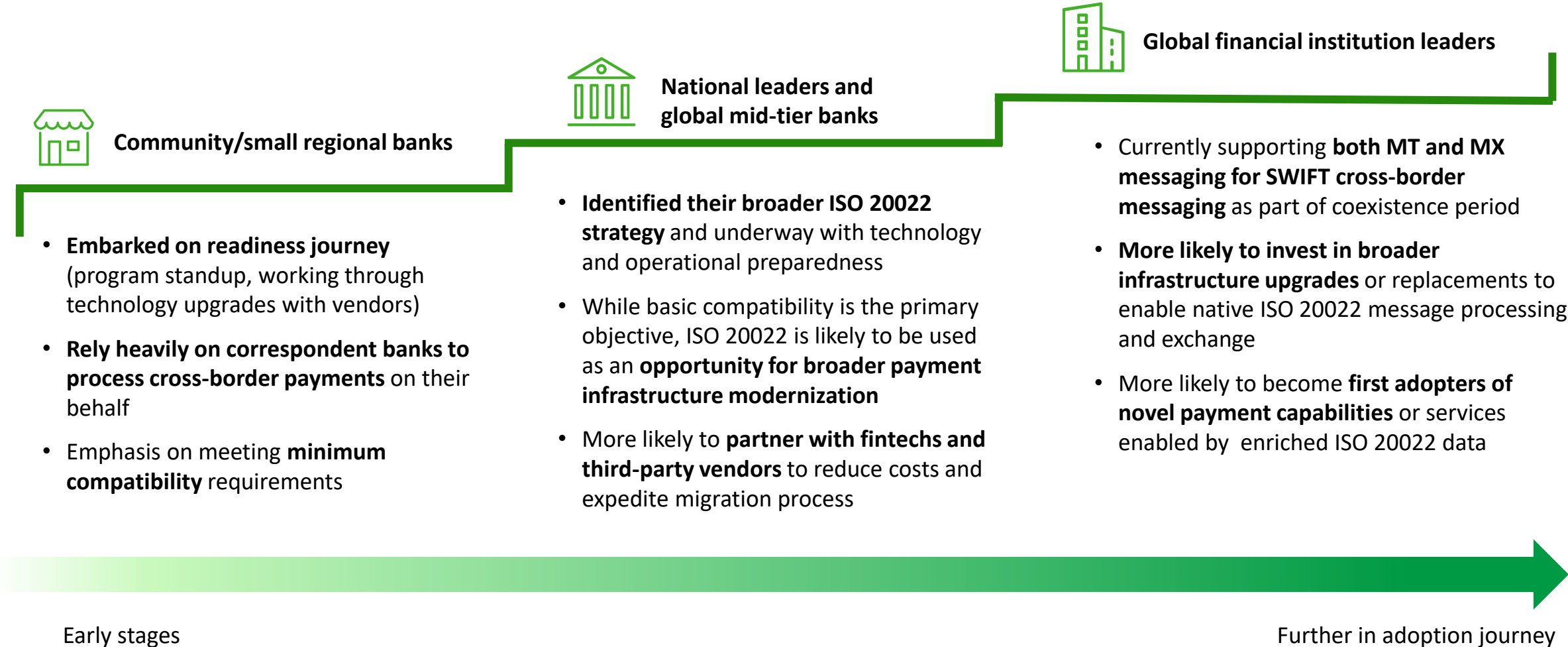
<sup>1</sup> The Clearing House, "[RTP® network has billion dollar day](#)," press release, July 10, 2024.

<sup>2</sup> Swift, "[ISO 20022 in bytes for payments: Focus on instruction messages for November 2025](#)," June 6, 2024.

<sup>3</sup> The Clearing House, "[CHIPS® network successfully migrates to ISO 20022 message format](#)," April 10, 2024.

<sup>4</sup> Federal Reserve, "[Fedwire® Funds Service – Monthly statistics](#)," as of July 2024.

# US banks' progress in preparing for the new standard varies by bank size



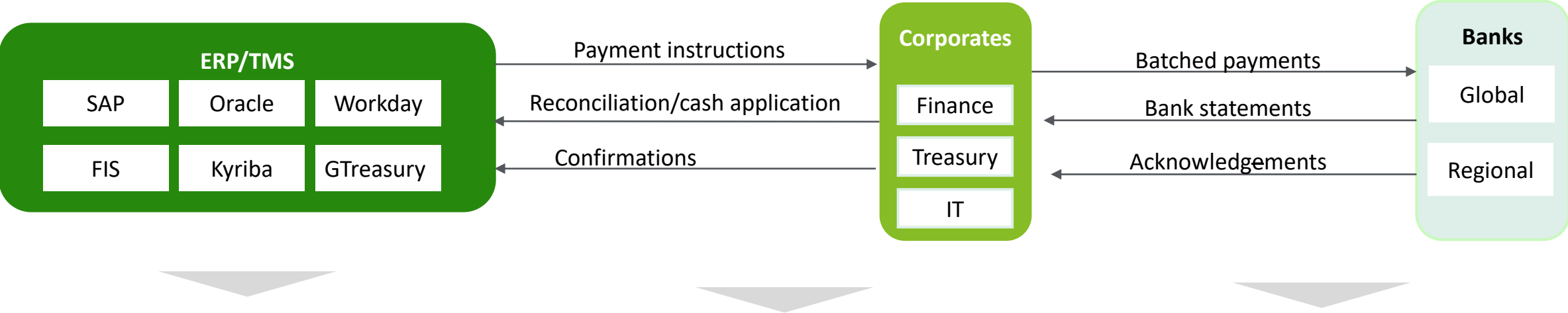
## Polling question #4

**At what stage is your organization in the adoption of ISO 20022?**

- A. Impact assessment started/completed
- B. Migration started/in progress
- C. Migration completed
- D. Yet to start assessment and planning
- E. Don't know/not applicable



Global corporates are also preparing to update their infrastructure, albeit at a slower pace than banks

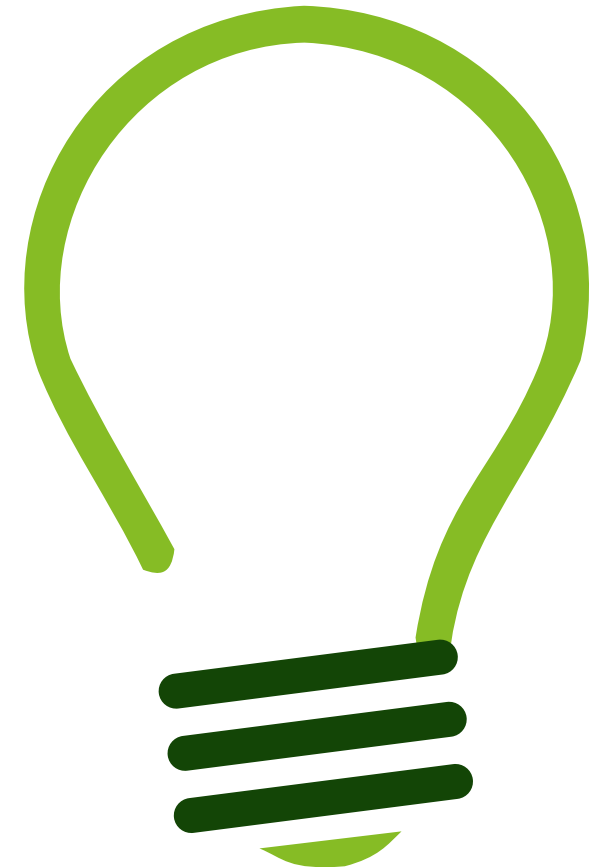


- Leading **ERPs (SAP, Oracle, Workday)** and **TMS vendors (Kyriba, Quantum, GTreasury)** are ISO-ready, equipped to send and receive in ISO formats.
- Some vendors have published **release notes and marketing materials** to communicate their ISO-readiness to corporates, recommending early transition.
- Approximately **15% of global corporates are actively planning for ISO 20022 migration**, with changes to tech infrastructure expected over the next few years.
- **Regional and national corporates are still in the early stages** without clear migration plans, lagging behind banks and system vendors in the ISO journey.
- **Global banks are largely ready** with ISO 20022 capabilities and actively transacting in ISO 20022 for CHIPS, CBPR+, RTP, FedNow, etc.
- Some regional banks will achieve **ISO 20022 compliance within the next six months**, while others are already transacting via CHIPS and CBPR+. All **banks will support their customers** and offer translation services to ensure continued wire processing.

## Polling question #5

**Which of your vendors are ready to process ISO formats for payments, acknowledgments, and bank statements?**

- A. ERP vendor
- B. TMS vendor
- C. Both ERP and TMS vendor
- D. Unsure about ERP/TMS vendor readiness
- E. Don't know/not applicable










### 3. Considerations for ISO 20022 preparations

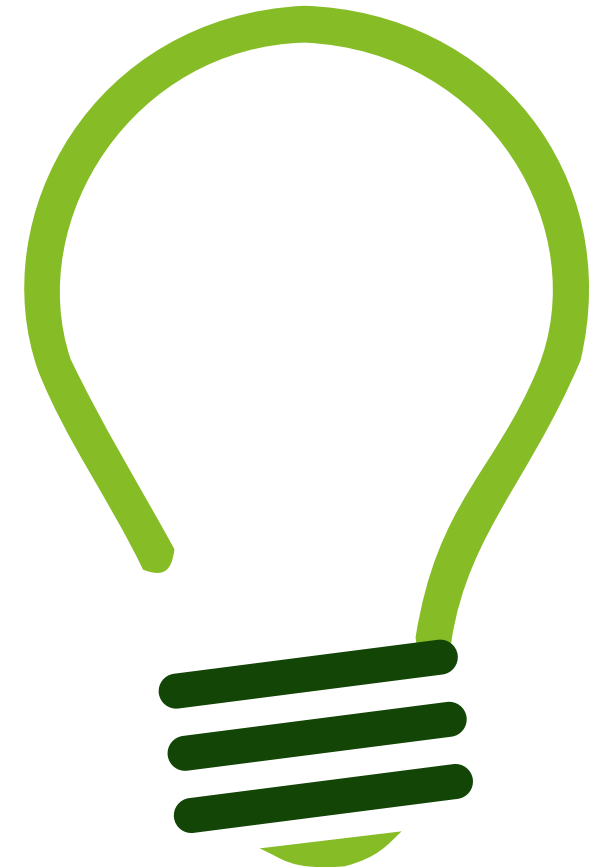
# Considerations for ISO 20022 readiness preparations

ISO migration considerations			
<div><b>Managing complexity</b></div> <div><ul style="list-style-type: none"><li>• Number of banks corporates will need to engage with</li><li>• Volume of payments currently utilizing legacy formats and number of payment scenarios</li><li>• Number of systems (ERP, TMS, Payment Hub) where updates are required</li><li>• Different connectivity options and bank platforms that existing accounts may be on</li><li>• For global businesses, different deployment plans may be required for different countries</li></ul></div> <div></div>	<div><b>Planning ahead</b></div> <div><ul style="list-style-type: none"><li>• Know ISO timeline for each bank, since it can vary based on region and size</li><li>• Gather ISO-specific requirements from internal stakeholders and businesses early</li><li>• Engage ERP/TMS vendors for defect resolution</li><li>• Understand blackout, freeze, and maintenance windows at banks and internally for systems</li></ul></div> <div></div>	<div><b>Additional steps for file-based message exchanges</b></div> <div><ul style="list-style-type: none"><li>• Update the connectivity profiles with each bank and system environment</li><li>• Conduct configuration updates in ERP, TMS, or Payment Hub for payment processing and statements reporting</li><li>• Test format of payment instructions with your bank and ensure there are no failures while ingesting bank statements and acknowledgements</li></ul></div> <div></div>	<div><b>Key questions</b></div> <div><ul style="list-style-type: none"><li>• <b>Vendor readiness:</b> How ISO 20022 ready is your ERP/TMS vendor? Do they support processing of ISO supported payments, bank statements, and acknowledgements formats?</li><li>• <b>Communications:</b> Have you received release notes, marketing materials, or other communications from your ERP/TMS vendor?</li><li>• <b>Timeline:</b> What migration timeline has your ERP/TMS vendor recommended?</li><li>• <b>Internal readiness:</b> At what stage is your organization in the adoption of ISO 20022 (impact assessment, migration started/completed, etc.)?</li><li>• <b>Organizational impact:</b> Have you identified the functions ISO adoption will affect or benefit? Typically, they are Treasury, AP, Collections, Accounting, and IT.</li><li>• <b>Drivers for adoption:</b> Are there any specific pain points that are driving the adoption (manual/low accuracy reconciliation, lower straight-through processing rates, regional rollouts such as APAC)?</li><li>• <b>New payment rails:</b> Are you exploring venturing into new payment rails such as FedNow, RTP, etc.? These payment rails are based on ISO 20022.</li></ul></div>

## Polling question #6

**What is the guidance from your ERP/TMS vendors for ISO 20022 migration?**

- A. Ensure complete readiness by end of 2025
- B. Migrate for your top banking partners by end of 2025 and gradually roll out other banks thereafter
- C. No guidance received from ERP/TMS vendors
- D. Don't know/not applicable





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